

I. ADMINISTRATIVE DATA

II. MEDICAL EVENTS

IDENTIFICATION NO. 92-003

Date Approved 10/14/92

Effective Date 1/1/92

Superecdos Transmittal 90-04

III. ACTIVITIES OF DAILY LIVING (ADLs)		IV. BEHAVIORS	
17. EATING: <input type="checkbox"/>	20. VERBAL DISRUPTION: <input type="checkbox"/>		
18. TRANSFER: <input type="checkbox"/>	21. PHYSICAL AGGRESSION: <input type="checkbox"/>		
19. TOILETING: <input type="checkbox"/>	22. DISRUPTIVE BEHAVIOR: <input type="checkbox"/>		
	23. HALLUCINATIONS: <input type="checkbox"/>		
	24. GENERAL BEHAVIOR: <input type="checkbox"/>		
V. SPECIALIZED SERVICES			
25. A. Intensive Bowel and/or Bladder Retraining 1 - Yes 2 - No <input type="checkbox"/>			
	LEVEL DAYS HOURS MINUTES		
B. Physical Therapy	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
C. Occupational Therapy	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
26. PHYSICIAN VISITS: <input type="checkbox"/>			
VI. DIAGNOSIS			
27. Primary: _____ <input type="checkbox"/>			
Additional: _____ <input type="checkbox"/>			
Additional: _____ <input type="checkbox"/>			
Additional: _____ <input type="checkbox"/>			
I CERTIFY THAT THE INFORMATION CONTAINED HEREIN IS A TRUE ABSTRACT OF THE RESIDENT'S CONDITION AS DOCUMENTED IN THE RESIDENT'S MEDICAL RECORD.			
_____ Signature of Reviewer	Identification Number: <input type="checkbox"/>		

TRANSMITTAL NO. 92-003To Approved 10/14/92Effective Date 1/1/92Outgoing Transmitted 90-04

APPENDIX B

TRANSMITTAL NO. 92-003
Approved 10/14/92
Effective Date 1/1/92
Supersedes Transmittal 90-04

INITIAL NO. 92-003
Date Approved 10/14/92
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Amended Transmittal _____

INSTRUCTIONS FOR RATE CALCULATION

Allowable Historical Costs as Adjusted

Amounts are entered by cost categories and cost components from the provider cost report as of June 30 of the report year. Adjustments for unallowable costs, reallocations and reclassifications are made in accordance with the various sections of the state plan to arrive at allowable historical costs.

Census as reported for the report year is multiplied times the average case mix weight for the provider to determine the standardized days.

Inflators

A composite index of the consumer price index for Urban Wage Earners and Clerical Workers (CPI-W) as prepared by the U.S. Department of Labor and a North Dakota specific nursing home price index computed by DRI, Inc. is used to inflate allowable costs, except for property costs.

Costs Plus Inflators

Allowable historical costs as adjusted, except for property costs, are increased by the appropriate inflation factor to arrive at costs including inflation factors.

Applicable Units

Applicable Units are the number of resident days which are used in the calculation of the various components of the rate. Actual census days are the days reported on the cost report, adjusted to reconcile to departmental census records. Actual census days are used to calculate the Other Direct Care rate and the Other Direct Care Operating Margin. In addition, actual census days are used to calculate the Indirect rate, Property rate and Incentive unless the facility's occupancy percentage is below 90%. If the occupancy percentage is below 90%, then an imputed census equal to 90% of licensed available beds is calculated. The 90% occupancy census is then used to calculate the Indirect rate, Property rate and Incentive. Standardized resident days are used to calculate the Direct rate and the Direct Care Operating Margin. Standardized resident days are actual census days weighted by the facility's average case mix weight.

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TN No. 94-001

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Rate Computation

Costs including appropriate inflation factors or any one time adjustments for each cost category are divided by the greater of actual or 90% of licensed census days for Property and Indirect Care, by actual census days for Other Direct Care and by standardized resident days for Direct Care. The computed rate is then compared to the limit rate and the lesser of the two rates is the allowed rate. The limit rate is established using the methodology set forth in Section 25. If the provider's Indirect Care rate does not exceed the limit rate, an incentive up to a maximum of \$2.60 is added. An operating margin of 3% based on the lesser of the actual rate excluding inflation or the limit rate excluding inflation is calculated.

Computation of Incentive

The Incentive rate calculation starts with Total Indirect allowable historical costs before inflation. Costs are divided by census days to determine an uninflated rate. This rate is compared to a limit rate determined using the methodology set forth in Section 25.4. The Incentive is determined using actual costs, not inflated costs. The difference between the actual uninflated rate and the limit rate is multiplied by 70% and is then compared to the maximum incentive allowable of \$2.60.

Computation of Operating Margin

The Operating Margin Rate calculation begins by dividing the reported adjusted costs for Direct and Other Direct Care Costs by standardized resident days for Direct Care Costs and by actual census days for Other Direct Care Costs. This computed rate is then compared to a limit rate determined using the methodology set forth in Section 25.5. The lower of the computed rate or the limit rate is multiplied by 3% to establish the Operating Margin Rate for Direct and Other Direct Care. The Operating Margin Rate for Direct Care is then multiplied by the case mix weight average to determine the allowed operating margin for Direct Care.

Daily Rates

The total Allowed Rate calculated is the rate for the rate weight of one. To calculate the rate for each of the 34 classifications, the rate is determined by multiplying the Allowed Rate for Direct for the rate weight of one by the case-mix weights set forth in Section 32. The Direct rate as calculated for each classification is then added to the rates for Property, Other Direct, Indirect, Incentive, and Operating Margin all of which remain the same for all classifications.

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NURSING FACILITY RATE CALCULATION EXAMPLE**COST DETERMINATION**

	Historical Costs	Adjustments	Allowable Historical Costs as Adjusted	Inflator	Cost plus Inflation
DIRECT CARE COSTS					
Salaries	\$1,106,256		\$1,106,256	2.60%	\$1,135,019
Fringe Benefits	139,590	21,784	161,374	2.60%	165,570
Drug and Supplies	167,103	(3,056)	164,047	2.60%	168,312
Other Costs	6,916	(2,481)	4,435	2.60%	4,550
Total Direct Care	\$1,419,865	\$16,247	\$1,436,112		\$1,473,451
OTHER DIRECT CARE COSTS					
Salaries	\$87,781	(\$583)	\$87,198	2.60%	\$89,465
Fringe Benefits	11,082	1,656	12,738	2.60%	13,069
Food & Dietary Supplements	150,865	(512)	150,353	2.60%	154,262
Other Costs	78,262	(65)	78,197	2.60%	80,230
Total Other Direct Care	\$327,990	\$496	\$328,486		\$337,026
INDIRECT CARE COSTS					
Salaries	\$478,949	(\$423)	\$478,526	2.60%	\$490,968
Fringe Benefits	60,413	9,374	69,787	2.60%	71,601
Utilities	55,104	(2,633)	52,471	2.60%	53,835
Other Costs	172,589	(12,307)	160,282	2.60%	164,449
Total Indirect Care	\$767,055	(\$5,989)	\$761,066		\$780,854
PROPERTY COSTS	\$114,322	(\$11,444)	\$102,878		\$102,878
TOTAL COSTS	\$2,629,232	(\$690)	\$2,628,542		\$2,694,209

APPLICABLE UNITS

a. Licensed Beds	88
b. Available Bed Days (a x 365)	32,120
c. Case-mix average weight	0.98453
d. Actual Census	27,716
e. Census at 90% Occupancy (b x .9)	28,908
f. Standardized Resident Days (c x d)	27,282

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STATE: North DakotaAttachment 4.19-D
Sub-section 1**RATE COMPUTATION**

	Allowable Costs	Applicable Units	Computed Rate	Limit	Allowed Rate	Incentive	Operating Margin	Total
Direct	\$1,473,451	27,282	\$54.01	\$54.60	\$54.01		\$1.55	\$55.56
Other Direct	337,027	27,716	12.16	12.14	\$12.14		0.35	\$12.49
Indirect	780,854	28,908	27.01	27.46	\$27.01	0.30		\$27.31
Property	102,878	28,908	3.56		3.56			\$3.56
	\$2,694,210		\$96.74		\$96.72	\$0.30	\$1.91	\$98.93

COMPUTATION OF INCENTIVE

Actual Indirect Costs	\$761,066
Applicable Units	28,908
Computed Rate	\$26.33
Limit Rate At 6/30/98	\$26.76
Difference	\$0.43
Incentive Percent	70.00%
Computed Incentive	\$0.30
Incentive Maximum	\$2.60
Allowable Incentive	\$0.30

COMPUTATION OF OPERATING MARGIN

	Direct Costs	Other Direct Costs
Actual Costs	\$1,436,112	\$328,486
Applicable Units	27,282	27,716
Computed Rate	\$52.64	\$11.85
Limit Rate 6/30/98	\$53.22	\$11.83
Lower Actual/Limit	\$52.64	\$11.83
Operating Margin %	3.00%	3.00%
Operating Margin	\$1.58	\$0.35
Unit Weight	0.9845	
Allowed Operating Margin	\$1.55	\$0.35

DAILY RATES

Classification	Direct Rate	Case- Mix Weight	Case-Mix Direct Rate	Other Direct Rate	Indirect Rate	Property Rate	Incentive	Operating Margin	Total Rate
Rate Weight of 1	\$54.01	1.00	\$54.01	\$12.14	\$27.01	\$3.56	\$0.30	\$1.91	\$98.93
RAD	\$54.01	1.79	\$96.67	\$12.14	\$27.01	\$3.56	\$0.30	\$1.91	\$141.60
SE3	\$54.01	2.62	\$141.50	\$12.14	\$27.01	\$3.56	\$0.30	\$1.91	\$186.42
SSA	\$54.01	1.33	\$71.83	\$12.14	\$27.01	\$3.56	\$0.30	\$1.91	\$116.75
CA1	\$54.01	1.02	\$55.09	\$12.14	\$27.01	\$3.56	\$0.30	\$1.91	\$100.01
PA1	\$54.01	0.62	\$33.49	\$12.14	\$27.01	\$3.56	\$0.30	\$1.91	\$78.41

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STATE: North DakotaAttachment 4.19-D
Sub-section 1

Appendix C Proportionate Share Pool Calculation Example

Calculation of Pool Amount

Facility	Total Medicaid Days Paid	Average Medicaid Rate	Medicare Upper Limit Rate	Difference
Facility A	7,661	\$97.55	\$108.94	\$87,259
Facility B	52,415	\$107.34	\$111.82	\$234,819
Facility C	27,634	\$122.55	\$111.82	(\$296,513)
Facility D	15,963	\$80.47	\$95.49	\$239,764
Facility E	8,159	\$97.35	\$108.94	\$94,563
Facility F	11,424	\$91.18	\$95.49	\$49,237
Facility G	9,289	\$109.36	\$108.94	(\$3,901)
Total	132,545	\$100.83		\$405,228

Distribution of Pool Amount

Facility	Total Medicaid Days Paid	Percent of Medicaid Days to total	Distribution
Facility B	52,415	84.95%	\$344,224
Facility G	9,289	15.05%	\$61,004
	61,704	100.00%	\$405,228

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APPENDIX C

Calculation of Pool Amount

The Total Medicaid Days Paid in each facility for the rate year is determined from paid claims.

The Average Medicaid Rate in each facility is calculated by summing the rate payable for each Medicaid Day Paid based on the appropriate classification and dividing by Total Medicaid Days Paid for the facility.

The Medicare Upper Limit Rate is the rate calculated by the Medicare fiscal intermediary for the facility.

The Difference is Total Medicaid Days Paid times the Medicare Upper Limit Rate less Total Medicaid Days Paid time the Average Medicaid Rate.

The Proportionate Share Pool is the total of the differences for all facilities.

Distribution of Pool Amount

Total Medicaid Paid Days for each city owned facility for the last rate year is determined from paid claims.

The percentage of Medicaid paid days to total Medicaid paid days in all city owned facilities is calculated.

The pool is distributed based on each facility's applicable percentage.

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